

WHITEHALL ADVISORS, LLC
3820A BAYOU RAPIDES RD • ALEXANDRIA, LA 71303

October 22, 2018

Hon. Julian C. Whittington
Bossier Sheriff's Office
204 Burt Boulevard
Benton, LA 71006

RE: FMV of Promissory Note
100% Interest

Dear Sheriff Whittington,

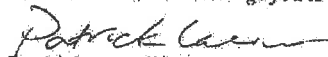
I have performed a calculation engagement in accordance with the Statement on Standards for Valuation Services ("SSVS") of the American Institute of Certified Public Accountants and the professional standards of the National Association of Certified Valuation Analysts.

I have performed certain calculation procedures to estimate the fair market value, as of October 19, 2018, of that certain original promissory note dated November 2, 2017 made by Ronald William Lollar payable to Barbara Marie Carey Carr Lollar or her order in the principal amount of One Million Seven Hundred Thirty Thousand and No/100ths Dollars (\$1,730,000.00) plus interest thereon at the rate of four percent (4%) per annum until paid, payable in four (4) consecutive annual installments of \$100,046.00, the first such installment being due and payable on November 1, 2018, and a final balloon payment equal to all remaining principal and interest then due hereunder, due and payable on November 1, 2022 ("said property").

My procedures and calculation were based on information drawn from public records recorded with the Bossier Parish clerk of court. The calculated value in this report is intended to be used for the public auction on or about Wednesday, October 24, 2018. A calculation engagement does not include all of the procedures required in a valuation engagement; had a valuation engagement been performed, the results may have been different. While a calculation engagement was more appropriate given the abbreviated time schedule, I have acted fairly and impartially and do hereby offer my sincere opinion of true value of the said property in cash to the best of my knowledge, information, and belief.

➤ Appraisal of said property:	\$ 157,009.22
➤ 2/3rds of Appraisal of said property:	\$ 104,672.81

I appreciate this opportunity to serve you. My worksheet of these calculations and my curriculum vitae are attached for your records. Should you have any questions with respect to the issues we have discussed, we encourage you to call me.


Patrick Lacour, CIA, CVA

Attachment

Worksheet - FMV for Public Auction
Promissory Note of Magnolia Island Plantation, LLC
26th JDC, Dockets 127,573, Div "F" and 155,382, Div "A"
As of October 24, 2018

The fair market value of a promissory note was lower than the sum of unpaid principal and accrued interest.
To the lender, the fair market value of a promissory note equals the present value of future principal and interest payments discounted at a risk-adjusted rate of return to the valuation date.

To value a debt instrument, the following are taken into consideration:

- 1.) the history of the debt instrument; and
- 2.) the terms of the legal documents governing the obligation; and
- 3.) the financial position and credit risk of the debtor; and
- 4.) any assets that serve as collateral or otherwise affect the creditor's position; and
- 5.) the probability that the creditor will be repaid in full on time.

Schedule of Required Yield for FMV Instrument		
Base yield	7.5%	Current U.S. Prime 5.25% plus 2.25%
Adjustments:		
1.) Lack of liquidity	10.0%	Vender's lien attached; borrowing company formed two days before transaction
2.) Lack of marketability	5.0%	Related party transaction (husband and wife; no persons), guaranteed from
3.) Quality of borrower	10.0%	Magnolia Island Plantation, LLC formed 10/31/17; no credit history, no payment history
4.) Quality of collateral	7.0%	Claudy title; Notice of Lis Pendens filed 2/20/18, instrument #1185201
5.) Coverage of collateral to note	5.0%	Per Glenn A. "Russ" Wilson, Jr. MAL 280.135 acres @ \$4k/acre w/only ~\$1.12M (~\$5%)
6.) Loan duration/term	4.0%	Based on 10 year term rather than commercial terms of 10 to 15 years
7.) Payment frequency	0.0%	Annually commercial loan standards are monthly; conversion to monthly performed to adjust
8.) Default provisions	0.0%	Indefinite
9.) Protective covenants	10.0%	Working capital requirements, interest coverage and debt/equity ratios etc. absent from credit sale deed
10.) Restrictive covenants	10.0%	Seller's mortgage (not assignable); transferability of note depends on approval of borrower
Monthly payout rate	68.5%	
Convert to annual convention	94.7%	
Required yield used	95.0%	

Note Valuation Table							
Terms of the Note:							
Principal balance (face value)		\$	1,730,000				
Annual interest rate			4.0%				
Annual installment payment			\$100,046.07				
Required yield (market interest rate)			95.0%				
Issue date			11/2/2017				
Maturity date			11/1/2022				
Valuation date			10/19/2018				
Year/Period	Date	Beginning Principal	Principal Payments	Interest Payments	Ending Balance	FV Factor	PV of Cash Flow
1	11/1/2018	\$ 1,730,000.00	\$ 30,846.07	\$ 69,200.00	\$ 1,699,153.93	0.513	\$51,305.68
2	11/1/2019	1,699,153.93	32,079.91	67,966.16	1,667,074.01	0.263	\$26,310.60
3	11/1/2020	1,667,074.01	33,363.11	66,682.96	1,633,710.90	0.135	\$13,492.62
4	11/1/2021	1,633,710.90	34,697.64	65,348.44	1,599,013.27	0.069	\$6,919.29
5	11/1/2022	1,599,013.27	1,599,013.27	63,960.53	-	0.035	\$50,981.03
Totals			\$ 1,730,000.00	\$ 333,158.08			\$152,009.22

Patrick Lacour, CIA, CVA
3820A Bayou Rapides Road
Alexandria, Louisiana 71303

EDUCATION

Louisiana State University,
Baton Rouge, Louisiana; B.S. Accounting 1993

LICENSES AND ACCREDITATIONS

Certified Internal Auditor 1996
Certified Valuation Analyst 2013

PROFESSIONAL AFFILIATIONS - CURRENT

Member of Institute of Internal Auditors
Member of National Association of Certified Valuation Analysts

WORK EXPERIENCE

Whitehall Advisors, L.L.C. 2007 – Present
Co-Owner and Manager

Cleco Corporation 2000 – 2007
Sr. Internal Auditor / Director of Controls

Exxon Company, USA 1992 - 2000
Sr. Internal Auditor

FORENSICS AND VALUATION EXPERIENCE

Mr. Lacour has been admitted as an expert witness in the 4th, 9th and 12th judicial districts of the State of Louisiana and the U.S. District Court for the Middle District of Louisiana. He has performed valuations of:

- Federal Gift and Estate Taxes
- Community Property Settlements
- Automotive Dealers
- Construction and Contracting Companies
- Convenience Stores
- Oil and Gas Distribution Companies
- Oilfield Service Companies
- Professional Services Companies
- Medical Clinics
- Ambulatory Surgical Centers
- Mergers and Acquisitions
- Non-profit organizations
- Real Estate Investment Companies
- Rental Car Agencies

APPRAISEMENT SHEET

Suit No: (08) 127573
W. A. LUCKY, III
VS
BARBARA MARIE CAREY CARR

BENTON, LA
26th Judicial District
Parish of Bossier
State of Louisiana

We, the undersigned, having been appointed to appraise the property advertised for sale by the Sheriff in the above entitled and numbered cause, do solemnly swear that in making said appraisement we have acted fairly and impartially and have made a true value of what said property is worth in cash, to the best of our knowledge, information and belief.

1. Plaintiff (sheriff) Appraiser
Sworn to and subscribed before me this
____ day of _____, 2018

Deputy Sheriff

2. Defendant (sheriff) Appraiser
Sworn to and subscribed before me this
____ day of _____, 2018

(Patrick Lacour)

Deputy Sheriff

3. Third (sheriff) Appraiser
Sworn to and subscribed before me this
22 day of OCTOBER, 2018

Kim Flournoy
Deputy Sheriff

APPRAISEMENT

THAT CERTAIN ORIGINAL PROMISSORY NOTE DATED NOVEMBER 2, 2017 MADE BY RONALD WILLIAM LOLLAR PAYABLE TO BARBARA MARIE CAREY CARR LOLLAR OR HER ORDER IN THE PRINCIPAL AMOUNT OF ONE MILLION SEVEN HUNDRED THIRTY THOUSAND AND NO/100THS DOLLARS (\$1,730,000.00) PLUS INTEREST THEREON AT THE RATE OF FOUR PERCENT (4.0%) PER ANNUM UNTIL PAID, PAYABLE IN FOUR (4) CONSECUTIVE ANNUAL INSTALLMENTS OF \$ 100,046.00, THE FIRST SUCH INSTALLMENT BEING DUE AND PAYABLE ON NOVEMBER 1, 2018, AND A FINAL BALLOON PAYMENT EQUAL TO ALL REMAINING PRINCIPAL AND INTEREST THEN DUE HEREUNDER, DUE AND PAYABLE ON NOVEMBER 1, 2022.

2/3 of Appraisement

1. Plaintiff (sheriff) Appraiser

Appraisement

2. Defendant (sheriff) Appraiser

Appraisement

Patrick L...

\$ 157,009.22

3. Third (sheriff) Appraiser

Appraisement

Attorney: Curtis R. Shelton
P. O. Box 22260

Shreveport, LA 71120-2260
318-221-6277